

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Friendship Senior Housing, located at 1904 Adeline Street in Oakland, requested and is being recommended for a reservation of \$2,052,169 in annual federal tax credits to finance the new construction of 49 units of housing serving seniors with rents affordable to households earning 20%-40% of area median income (AMI). The project will be developed by Community Housing Development Corporation and will be located in Senate District 9 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH), Multifamily Housing Program (MHP) of HCD.

Project Number CA-22-617

Project Name Friendship Senior Housing
Site Address: 1904 Adeline Street
Oakland, CA 94607 County: Alameda
Census Tract: 4016.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,052,169	\$0
Recommended:	\$2,052,169	\$0

Applicant Information

Applicant: Friendship Senior Housing L.P.
Contact: Donald Gilmore
Address: 1535 Fred Jackson Way, Ste. A
Richmond, CA 94801
Phone: 510-221-2515
Email: dgilmore@communityhdc.org

General Partner(s) or Principal Owner(s): CHDC Friendship Senior LLC
FCDC Friendship Senior LLC

General Partner Type: Nonprofit

Parent Company(ies): Community Housing Development Corporation
Friendship Community Development Corporation

Developer: Community Housing Development Corporation

Bond Issuer: CMFA

Investor/Consultant: CREA LLC

Management Agent: John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 50
 No. / % of Low Income Units: 49 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt/HUD Section 8 Project-based Vouchers (34 Units -69%)

Information

Housing Type: Seniors
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	44	90%
40% AMI:	5	10%

Unit Mix

15 SRO/Studio Units
34 1-Bedroom Units
1 2-Bedroom Units
50 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 SRO/Studio	20%	\$500
5 SRO/Studio	30%	\$750
5 1 Bedroom	40%	\$1,071
29 1 Bedroom	30%	\$803
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,953,500
Construction Costs	\$30,809,488
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,473,574
Soft Cost Contingency	\$197,948
Relocation	\$0
Architectural/Engineering	\$1,675,833
Const. Interest, Perm. Financing	\$3,457,391
Legal Fees	\$285,000
Reserves	\$1,286,268
Other Costs	\$1,580,125
Developer Fee	\$2,388,154
Commercial Costs	\$0
Total	\$46,107,281

Residential

Construction Cost Per Square Foot:	\$1,256
Per Unit Cost:	\$922,146
True Cash Per Unit Cost*:	\$918,293

Construction Financing

Source	Amount
Citi Bank - Tax Exempt	\$22,500,000
Citi Bank - Taxable	\$6,817,572
City of Oakland - 1st Tranche	\$2,000,000
City of Oakland - 2nd Tranche	\$4,350,000
Lessor Note	\$1,700,000
DTSC/ECRG ¹	\$803,000
Contributed Developer Fee	\$493,876
General Partner Capital	\$100
Deferred Costs	\$3,332,094
Deferred Developer Fee	\$192,620
Tax Credit Equity	\$3,918,019

Permanent Financing

Source	Amount
Citi Bank	\$3,411,000
City of Oakland - 1st Tranche	\$2,000,000
City of Oakland - 2nd Tranche	\$4,350,000
HCD - NPLH	\$3,066,590
HCD - MHP	\$10,500,000
Lessor Note	\$1,700,000
DTSC/ECRG ¹	\$803,000
General Partner Equity	\$100
Contributed Developer Fee	\$493,876
Deferred Developer Fee	\$192,620
Tax Credit Equity	\$19,590,095
TOTAL	\$46,107,281

¹Department of Toxic Substances Control, Equitable Community Revitalization Grant

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$39,464,798
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$51,304,237
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,052,169
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,388,154
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	\$0.95460

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.